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5 OCT 1965

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MEMORANDUM FOR: [REDACTED]

I have read the attached letter and feel that it does not offer any significant new ideas, particularly since the author is viewing the Agency from an elite core standpoint. However, the ideas expressed in paragraphs 12 and 13 touch upon some of the thoughts we have expressed in our proposed program to develop expertise in commercial administrative fields to serve the best interests of our proprietaries and covert activities. While the author approaches it in a slightly different way, he is not too far from our approach.

In paragraph 8, speaking on administration, the author turns to regulations and procedures. While he takes an extremist view, I tend to agree that we have too much in our regulations and that we should work systematically to reduce these regulations to their simplest terms and to eliminate to the degree possible the qualifications and exceptions written into them. As time permits, we should work toward this end. However, we have all had this in mind and did not have to wait for this unknown author to introduce the germ of this idea.

[REDACTED]

R. L. Bannerman

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GROUP 1
Excluded from automatic
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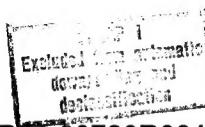
NOTE: The following is a condensation,
in some cases paraphrased, of a letter
addressed to the DDCI by a young
employee who recently left the Agency.

1. In our last discussion we touched lightly on some of the problems facing the Agency and its personnel. I have some suggestions which I believe are constructive and, I hope, not too Utopian. I think the recruitment, selection and training of intelligence officers is well done. Never have I met a better group of young men and women than my contemporaries at CIA. However, I do believe that some changes are absolutely necessary if the Agency is to maintain and strengthen her esprit de corps.

2. It seems to me that the Agency should pay greater attention to the retention of its abler young men and women than is now apparent. Not only would this make economic sense, but also these able people are absolutely necessary if CIA is to really accomplish its intelligence mission. Unfortunately, it does not always appear to those in the younger groups that CIA really does consider how best to retain her young men and women. Even if there is a solidly considered program, there is no equivalent implementation.

3. For example, early in his training a new intelligence officer must consider whether it would benefit his career and increase his capabilities if he takes the additional four-month course covering the more physical aspects of intelligence duties. Naturally, he seeks

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information from all sources. Shortly he realizes that while information is available, it is impossible to evaluate despite the source. My CTP class was told at varying times - and sometimes by the same person (1) all will take everything except the airborne; (2) only a very limited number of volunteers will be accepted; (3) no married personnel; (4) married personnel will be allowed to take the course; (5) taking the course means a definite two-year assignment, and (6) taking the course does not assure getting a related assignment. These completely contradictory supposedly authoritarian statements by very senior Agency officials create an early suspicion that the Agency does not really consider the problems of the newly employed.

4. Then, later, these suspicions seem to be confirmed when promotions are slower than had been promised during employment interviews - and especially when there are promotion freezes. This is not what these young men of ability and initiative bargained for. The Agency has a policy, not required by law, of wherever possible applying Civil Service rules to make service with CIA conform to normal government service. This I feel is an abdication of a basic responsibility on the part of senior Agency officials to deal with very real problems that in no way require or permit government-wide uniformity. CIA should not advertise what CIA is not prepared to deliver.

5. The Agency justifiably regards itself with pride as the elite group within government and advertises to inquiring young men and women that normal civil service rules and procedures do not apply. In

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particular, the promotion program is stressed as a merit program. These young men and women consider themselves elite, and they do not expect to be classified or treated on the same basis as old-line governmental agencies. Considering the loss of able people, the expense would be no greater if the Agency were to really implement a merit program and pay accordingly. No one who works for the Agency and who relies on his income from his work expects to be a wealthy man. But, as the work has hardships above and beyond that which are experienced by any other governmental agency, and as the work demands the dedication of extremely able people, then these elite people should be compensated at the highest rate possible. Only by treating these elite people properly can the Agency expect and get long-term elite production.

6. I agree with our concept of not paying overtime to professionals, but, as of now, this approach looks from below to be the easiest means for management to hold down costs, rather than a policy of treating professionals as professionals. This can be galling when large expenditures are made that do not appear to provide the return to the United States that sensible personnel policies would provide. Undoubtedly, a true merit program with higher salaries for some would be harder to formulate and administer than the GS procedures, but certainly not impossible.

7. This leads me to my second point, the problem of administration. It seems to me that the Agency needs one very important and responsible individual in an extremely high position,

either yourself or the Executive Director, whose sole duty would be the critical task of insuring that the intelligence gathering and producing mechanisms function properly. This man should not be concerned with transmitting, coordinating or conferring with other governmental agencies and departments. His critical duty is accomplished when he is certain that CIA, by any yardstick, does and will continue to function with amazing competence.

8. Through your years of experience, you can historically evaluate my belief that slowly and in some instances, not so slowly, bureaucracy is strangling the Agency. We have great numbers of personnel with vested interests, we have volumes of regulations and procedures seemingly cast in concrete. Undoubtedly, once one reaches a certain size, regulations are necessary, but I question the sense of most of the regulations we now have. I argue much would be saved if one imaginative, competent man had the authority to eliminate or reassign superfluous programs, personnel, committees, and divisions. What would really happen if someone were to walk the halls and at random open doors and request that particular component to then and there justify itself? The result would probably be pandemonium.

9. This may sound harsh, but the Agency is not meant to solve some comfortable problem with as much spirit and dispatch as possible; CIA must solve uncomfortable problems now. The Agency is an alternate and in many ways a preventive to fighting the disastrous hot war. CIA must give the President the best possible means for protecting the United States from a deadly threat. I am firmly convinced of the need

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for an effective and efficient CIA, but a CIA that is not utilizing the best people in the best possible manner is a great threat to the survival of these United States. Therefore, I recommend your consideration of the following suggested programs.

10. Firstly, the assignment of one man, preferably yourself or the Executive Director, to insure that the machinery of the Agency and that the people in it are working effectively and without needless or excessive bureaucratic obstacles. As I said, this must be the full-time job of one energetic, imaginative man and cannot be a staff function. His must be the responsibility for the retention and selection out of personnel and staffs.

11. Secondly, there should be implemented within the young officers' group, a process of selection and promotion that adequately reflects a real merit program. Each year a minimum of 10% should be selected out, and a minimum of 10% should be given substantive merit promotions. For this entire elite group, I recommend a complete disassociation from the GS criteria or promotion schedules. The Department of State has implemented an FSO ranking system. I fail to see why we, with what I believe to be a superior group, could not implement a somewhat similar program.

12. Thirdly, I would not make the positions of the various support components such as legal, medical, purchasing (especially scientific), [redacted] or what have you career positions held only by career people. I would take advantage of the great wealth of talent in this nation and the real willingness of this talent to serve within the Agency and appoint bankers, businessmen,

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lawyers, physicians, scientists and teachers for two- to four-year terms. From these new people, there would be a constant influx of new ideas and new thoughts, new methods, new procedures and a constant disinclination to put up with, absorb, or become used to the "bureaucratic way." These "Civilian Intelligence Appointees" (to coin a term) would not have the same vested interests and, additionally, over the years, CIA would have friends throughout the U.S. who would understand and appreciate CIA's problems even if critical of any specific policy or program.

13. Fourthly, I would not permit the Agency to rely solely on liaison with other governmental agencies and industry. I see no reason why the Agency cannot place people in other governmental agencies and industry for a year or two to work and to learn how to function without some of the shibboleths such as "security" or "best interests of the Agency." I imagine it would be of great benefit to the funding mechanisms to have people who have worked with and understood banking problems from the perspective of the Justice Department; international currency transactions as viewed by the International Monetary Fund, etc. We must have experienced and reflective men writing CIA's crucial reports. Would not a sabbatical for teaching and thinking in universities facilitate this? The Agency spends enormous sums buying and contracting with American manufacturers. Why not have within the Agency, or at least available to the Agency, men who have been trained by those manufacturers and who have actually negotiated for the manufacturers?

14. Please pardon the length of this paper, but I feel very deeply and personally about CIA. It would be tragic if all the imagination,

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effort and dedication that have gone into building CIA were not reflected by future improvements in its efficient operation. I have never ceased to be amazed at how much the CIA has done in such a short period with much more complex problems than those that my suggestions deal with. Undoubtedly, the total attention required by the complex problems of creating CIA and accomplishing its mission from scratch is the real reason bureaucracy was permitted to establish a beachhead, but the longer we fail effectively to deal with this problem, the more difficult will be an eventual solution.

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NOTE: The following is an excerpt from a condensation, in some cases paraphrased, of a letter addressed to the DCI by a young employee who recently left the Agency.

As you know, I have had the pleasure of serving in various components and I think that our support staffs suffer greatly by comparison with the personnel overseas and severely limit the capabilities of the Agency as a whole. Thus far, the toll has been bearable but, and this is the crux of my concern, this process will accelerate.

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[Redacted]

Here are some background notes that may be helpful if the FPBC discusses the resignee letter submitted by a former JOT.

Attrition of JOT's

72% of all junior officers, male and female, who have entered the JOT and CT Programs since they began in 1951, are still on Agency rolls. During more recent years the attrition experience of the JOTP has been quite favorable as the record shows.

	<u>Average On-Duty Strength</u>	<u>Losses</u>	<u>Attrition Rate</u>
FY '63			
FY '64			
FY '65			

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When the above losses are analyzed (they include: 12 military trainees, 5 requested resignations, and 3 females who married fellow JOT's), the retention experience of the JOTP is quite remarkable. Bear in mind that the over-all attrition rate for Agency professionals runs about 5 to 6% a year. During the past three fiscal years the attrition rate among graduates of the JOTP has been only 4.5%. Thus while it is always regrettable to lose any young officers in whom we have a high investment and whose future appears promising, our luck with JOT's has been quite good and our record could easily withstand the closest scrutiny.

Promotion

On 30 January 1962, with the approval of the career council, a semi-automatic promotion schedule for JOT's was announced. It called for the progression from GS-07 to GS-11 in approximately three and one-half years on the following schedule:

GS-07 - GS-08 -- Upon completion of formal training
(about 8 months)

GS-08 - GS-09 -- After 10 months in grade

GS-09 - GS-10 -- After 12 months in grade

GS-10 - GS-11 -- After 12 months in grade

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When this policy was adopted, virtually all JOT's were being hired at the GS-07 level. Subsequent appointments were made at higher levels so that present practices have resulted in a fairly even spread between GS-07s, GS-08s, and GS-09s. This has necessitated changes in the semiautomatic promotion plan. It still operates for those hired at GS-07 and in most cases at GS-08; however, consultation with the career services which will receive the candidates is necessary. In other cases, ~~Even so,~~ the spirit of the original promotion policy is followed insofar as possible. In FY '65 the brakes were put on promotion to GS-10 and GS-11 by most of the career services, certainly by DD/P. These actions characteristically occur after junior officers have "graduated" from the CTP but are, nevertheless, an extension of the plan described to them when they came on duty. Thus, our resignee can quite properly argue that promotion expectations generated among trainees prior to FY '65 were frustrated by last year's austerity program. However, he is well aware, I am sure, that the promotion plan described to him contained no guarantees and was always subject to satisfactory performance, available slots, etc.

Paramilitary Training

Our resignee is on fairly solid ground in describing the conflicting information given JOT's about paramilitary training. Prior to February 1965, such training was almost entirely voluntary, although various efforts were made to encourage particular candidates to apply. Statements as to the acceptability of married trainees and their prospects for immediate overseas assignments have always been conditional but obviously the individual trainees could regard them as confusing. The real confusion, however, developed after February 1965 when DD/P announced the policy that it wanted "to stimulate junior officers to take paramilitary training." Under the policy DD/P recognized that it can't order individuals to undergo such training but could strongly advise them to "volunteer." Room for exceptions was contained in the policy but it was clear that DD/P wanted about two-thirds of its CT's to take this course. It is understandable that our resignee would see contradictions in the statements exhorting CT's to "volunteer" for PM training. Various stratagems have no doubt been used and various indications given as to the probable long-term advantage of such training. Some arms have doubtless been twisted while others have not. This sort of thing has been necessary to mount a program which is necessarily voluntary but which must, at the same time, embrace about two-thirds of the DD/P trainees.


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TO: Mr. Bannerman via Mr. Warfield

ROOM NO. BUILDING

REMARKS:

At the last meeting of the FPBC on 20 September, the attached paraphrased letter was distributed and is to be discussed at the next FPBC meeting. The last page of the letter was distributed to me only, apparently in the belief that privacy was necessary. and I have examined the letter and neither of us sees anything in the letter worthy of further consideration.

JHP
JHP

FROM:

ROOM NO. BUILDING EXTENSION

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